

WISCONSIN STATE  
LEGISLATURE  
COMMITTEE HEARING  
RECORDS

1999-00

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on  
Veterans and  
Military Affairs  
(AC-VMA)

Sample:

Record of Comm. Proceedings ... RCP

- 05hr\_AC-Ed\_RCP\_pt01a
- 05hr\_AC-Ed\_RCP\_pt01b
- 05hr\_AC-Ed\_RCP\_pt02

➤ Appointments ... Appt

➤ \*\*

➤ Clearinghouse Rules ... CRule

➤ **99hr\_CRule\_98-120\_AC-VMA\_pt01**

➤ Committee Hearings ... CH

➤ \*\*

➤ Committee Reports ... CR

➤ \*\*

➤ Executive Sessions ... ES

➤ \*\*

➤ Hearing Records ... HR

➤ \*\*

➤ Miscellaneous ... Misc

➤ \*\*

➤ Record of Comm. Proceedings ... RCP

➤ \*\*

State Representative

**TERRY MUSSER**

**92<sup>nd</sup> Assembly District**



**Chair, Assembly Committee on Veterans and Military Affairs**

**TO: Members, Assembly Veterans and Military Affairs Committee**  
**FROM: Terry Musser, Committee Chair**  
**DATE: March 16, 1999**  
**RE: Clearinghouse Rule 98 -120**

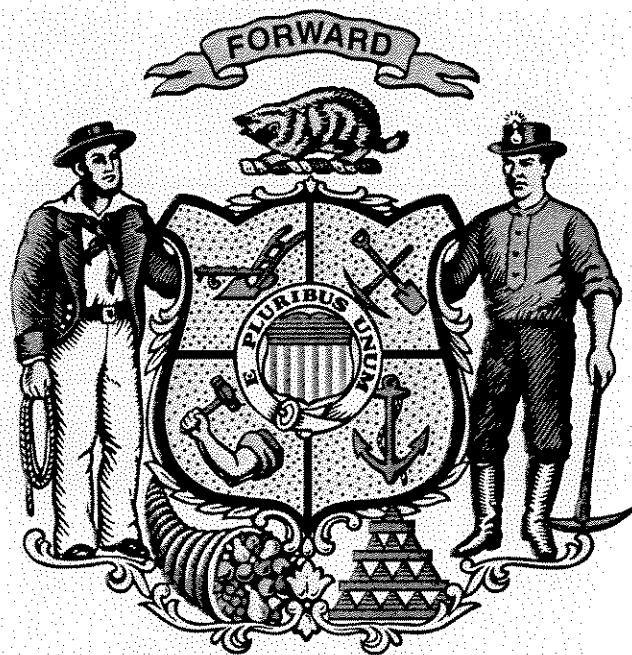
The enclosed administrative rule, prepared by the Department of Veterans Affairs, was referred to the Assembly Veterans and Military Affairs Committee on Monday March 15, 1999.

The rule will create VA 1.19 which relates to criteria for the cancellation of indebtedness under the economic assistance program, veterans trust fund stabilization, personal and secondary loan program.

Our Committee has 30 days, or until Wednesday, April 14, 1999, to review the rule.

**Madison Office: PO Box 8953, Madison, WI 53708 608-266-7461 Toll Free: 1-888-534-0092**  
**Fax: 608-282-3692 E-Mail: [rep.musser@legis.state.wi.us](mailto:rep.musser@legis.state.wi.us)**

**District Office: W13550 Murray Road, Black River Falls, WI 54615 608-488-2955**



## REPORT AND ANALYSIS OF CLEARINGHOUSE RULE 98-120

1. Statement explaining the need for the proposed rules.

The department's rationale for adopting the proposed rules is explained in the analysis portion of the attached proposed order.

2. Modifications made as a result of testimony presented at the public hearing.

The public hearing was held on February 18, 1999 at 10:15 a.m. at the board of veterans affairs board meeting in Madison, Wisconsin. No modifications were made on the basis of testimony presented at the hearing.

3. Public hearing appearances and registrations.

No one testified at the hearing or submitted written comments on the proposed rules.

4. Response to Legislative Council Clearinghouse Report.

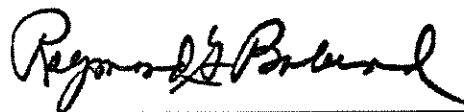
The department has fully complied with the recommendations contained in the Clearinghouse report.

5. Fiscal Estimate.

The proposed rules will have the fiscal impact identified in the attached fiscal note.

STATE OF WISCONSIN  
DEPARTMENT OF VETERANS AFFAIRS

BY:



RAYMOND G. BOLAND, SECRETARY

ORDER OF THE  
DEPARTMENT OF VETERANS AFFAIRS  
CREATING RULES

The Wisconsin Department of Veterans Affairs hereby proposes an order to create VA 1.19, relating to the cancellation of indebtedness under the economic assistance, veterans trust fund stabilization, personal, and secondary loan programs.

ANALYSIS PREPARED BY THE  
DEPARTMENT OF VETERANS AFFAIRS

Statutory authority: s.45.35(3), Stats.

Statutes interpreted: ss.45.351(2), 45.356, 1995 Stats., 45.80 1981 Stats. and 45.356, Stats.

The department has determined that it is appropriate to codify internal loan write-off criteria it currently uses. Furthermore, in order to assure that veterans have a full opportunity to provide relevant information, a decision concerning cancellation of indebtedness will be subject to the administrative hearing process.

TEXT OF RULE

SECTION 1. VA 1.19 is created to read:

VA 1.19 Cancellation of indebtedness. (1) CRITERIA. The department may cancel indebtedness and forego collection action on a loan provided under ss.45.351(2), 45.356, 1995 Stats., 45.80 1981 Stats. and 45.356, Stats., if any of the following apply:

- (a) The obligated parties on the note are deceased and claims on the estates have failed to produce any payments.
- (b) The obligated parties on the note are unlocatable as documented by non-productive skip tracing efforts.
- (c) The obligated parties on the note are discharged in bankruptcy and have not reaffirmed the debt.
- (d) Interstate restrictions prevent collection.
- (e) The obligated parties on the note have established through the submission of adequate documentation that the parties are unable to pay or that continued collection activity would jeopardize collection of other department loans.

(f) The financial benefit to the department of pursuing collection activity does not exceed the cost of pursuing the debt.

(2) REEVALUATION. Except as provided in s.VA 1.17(1), the department may reinstate the indebtedness and collection activity based upon a change in the circumstances of an obligated party.

(3) ADMINISTRATIVE REVIEW. Any department decision under this section is subject to appeal under s.VA 1.03.

The creation of the rule contained in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s.227.22(2)(intro.), Stats.

Dated at Madison, Wisconsin, March 5, 1999.

STATE OF WISCONSIN  
DEPARTMENT OF VETERANS AFFAIRS

A handwritten signature in dark ink, appearing to read "Raymond G. Boland", written in a cursive style.

RAYMOND G. BOLAND, SECRETARY

FISCAL ESTIMATE  
DOA-2048 N(R10/94)

☒ ORIGINAL ☐ UPDATED  
☐ CORRECTED ☐ SUPPLEMENTAL

LRB or Bill No./Adm. R  
Adm. Rule-Cancel  
Amendment No. if Appl

Subject  
CANCELLATION OF INDEBTEDNESS

**Fiscal Effect**

State: ☒ No State Fiscal Effect

Check columns below only if bill makes a direct appropriation  
or affects a sum sufficient appropriation.

☐ Increase Costs - May be possible t  
Within Agency's Budget ☐ Yes

☐ Increase Existing Appropriation ☐ Increase Existing Revenues  
☐ Decrease Existing Appropriation ☐ Decrease Existing Revenues  
☐ Create New Appropriation

☐ Decrease Costs

Local: ☐ No local government costs

1. ☐ Increase Costs  
☐ Permissive ☐ Mandatory  
2. ☐ Decrease Costs  
☐ Permissive ☐ Mandatory

3. ☐ Increase Revenues  
☐ Permissive ☐ Mandatory  
4. ☐ Decrease Revenues  
☐ Permissive ☐ Mandatory

5. Types of Local Governmental Uni  
☐ Towns ☐ Villages ☐ C  
☐ Counties ☐ Others \_\_\_\_\_  
☐ School Districts ☐ WTCS Dis

**Fund Sources Affected**

☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate**

The Department currently has internal policies in place relating to when a loan can be written off as one that be repaid. There is no fiscal effect because this rule codifies those policies and will not result in any change or revenues.

**Long-Range Fiscal Implications**

Agency/Prepared by: (Name & Phone No.)  
Louie Rech, 264-6093

Authorized Signature/Telephone No.  
John Scocos, 266-3081

10, 1998

**FISCAL ESTIMATE WORKSHEET****1997 Session**

Detailed Estimate of Annual Fiscal Effect

DOA-2047 (R10/94)

☒ ORIGINAL☐ UPDATED☐ CORRECTED☐ SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.

Amendment No.

Adm. Rule-Cancel Debts

Subject

CANCELLATION OF INDEBTEDNESS

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

## II. Annualized Costs:

Annualized Fiscal impact on State funds from:

## A. State Costs by Category

Increased Costs

Decreased Costs

State Operations - Salaries and Fringes

\$

\$ -

(FTE Position Changes)

( FTE)

(- FTE)

State Operations - Other Costs

-

Local Assistance

-

Aids to Individuals or Organizations

-

TOTAL State Costs by Category

\$ 0

\$ -

## B. State Costs by Source of Funds

Increased Costs

Decreased Costs

GPR

\$

\$ -

FED

-

PRO/PRS

-

SEG/SEG-S

-

## III. State Revenues -

Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)

Increased Rev.

Decreased Rev.

GPR Taxes

\$

\$ -

GPR Earned

-

FED

-

PRO/PRS

-

SEG/SEG-S

-

TOTAL State Revenues

\$ 0

\$ -

## NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS

\$ 0

\$

NET CHANGE IN REVENUES

\$ 0

\$

Agency/Prepared by: (Name &amp; Phone No.)

Louie Rech, 264-6093

Authorized Signature/Telephone No.

John Scocos, 266-8081

Date

November 10, 1998